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SIPDIS

STATE FOR NEA/PI, NEA/RA, AND NEA/ARPI
ABU DHABI FOR H. WECHSEL

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SUBJECT: OMAN: POST SUPPORT FOR MEPI PROGRAM IMPLEMENTERS

REF: SECSTATE 238836

¶1. To date there are no MEPI program implementers with offices in Oman, although we understand there may be some considering establishing a full-time presence in Muscat. Amideast is one such organization, and is currently consulting with a local law firm on the legalities and formalities of establishing an office in the Sultanate.

¶2. As for administrative hurdles to overcome, Omani regulations and bureaucracy can be daunting to navigate, particularly for the closely monitored NGOs. Strict banking regulations typically require legal standing in Oman before a bank account can be opened, which is a difficulty for many organizations that would be considered "non-profit" or NGOs in other countries. Only a handful of NGOs are formally registered through the Ministry of Social Development in Oman. Nonetheless, the nascent Muscat American Business Council (MABC), the new American Chamber of Commerce in Oman, managed to open an account with an international bank in Muscat despite its informal status, largely with the help of government ministers who support the notion of an American business council, and by the strong backing of the U.S. Embassy. Other potential hurdles for MEPI implementers exist in the labor realm, where labor clearances and formal sponsorships would need to be obtained for any expatriate employees an implementer would want to hire. Moreover, the government's Omanization policy could impact the number of expatriate staff as a proportion of the total payroll.

¶3. Comment: A full picture of the potential administrative difficulties that could confront MEPI implementers requires a more extensive legal analysis. In many ways, this is uncharted territory in a nation like Oman. As we have seen with the MABC and other informal groups, however, there is room for maneuver given the right circumstances and the appropriate level of backing from the USG. Oman continues to be fertile ground for MEPI programming, and there are possibilities in the NGO sector today that did not exist even a few years ago. We do not believe that MEPI implementers would find it impossible or impracticable to work here, but bureaucratic hurdles will need to be overcome, particularly for the first implementers to seek a full-time presence.

BALTIMORE